GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:2140
ANSWERED ON:10.03.2016
Indian Textile Industry
Sathyabama Smt. V.

Will the Minister of TEXTILES be pleased to state:

(a) whether the textile industry in the country is the largest employer after agriculture and accounts for 14 per cent of India"s exports;

(b) if so, whether it is a fact that the textile industry lost ground to Bangladesh and Vietnam in the global market as the preferred supplier for readymade garments;

(c) if so, the details thereof and the reasons therefor; and

(d) the steps being taken or proposed to be taken by the Government to boost the Indian textile industry?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF TEXTILES
(SHRI SANTOSH KUMAR GANGWAR)

(a): Yes, Madam. The textile sector is one of the largest provider of employment alongwith agriculture and textile export from India account for around13% of total exports from India.

(b) & (c): India ranks 7th in world in Ready Made Garment accounting for 3.5% of world share, with exports of 2014-15 in RMG. Vietnam and Bangladesh have emerged as major exporting countries of RMG. The details of top seven exporting countries of RMG are as under:-

Global RMG Exporters, Country wise Ranking

Rank in 2014 Exporters Exports in US$ Bn. Share in %

2013 2014 % Change 2014/13 2013 2014 % Change 2014/13

World 442.8 473.0 6.8 100.0 100.0 0.0
1 China 165.0 173.4 5.1 37.3 36.7 -1.6
2 Bangladesh 26.1 28.0 7.1 5.9 5.9 0.3
3 Italy 21.6 22.5 4.0 4.9 4.8 -2.6
4 Vietnam 16.7 20.9 24.8 3.8 4.4 16.8
5 Germany 18.3 19.5 6.5 4.1 4.1 -0.3
6 Hong Kong, China 20.7 19.4 -6.4 4.7 4.1 -12.4
7 India 15.7 16.5 5.3 3.5 3.5 -1.4
Source: UN Comtrade, 2016

Bangladesh and Vietnam are ahead of India in RMG exports due to various factors like wage differential, interest rate differential and major opening in big markets like EU and USA to competing nations.

(d): The government is implementing schemes like Technology Upgradation Fund Scheme (TUFS), Schemes for the development of the Power-loom Sector, Schemes for Technical textiles Scheme for Integrated Textile Parks (SITP), Integrated Skill Development Scheme etc. to modernize textile industry, increase production and global competitiveness.

Besides, the Government has taken following initiatives to augment the textile exports:-

(i) MEIS Scheme under new Foreign Trade Policy 2015-20.
(ii) Restoring Interest rate subvention for pre and post shipment credit for the textile sector,
(iii) Expanding the scope of Merchandise Export from India Scheme (MEIS) since 29.10.2015 to 110 new tariff lines and increase rates or country coverage or both for 2228 existing tariff lines.
(iv) Increased Duty Drawback rates for some textile articles.
(v) Market Access Initiative (MAI) Scheme.
(vi) Market Development Assistance (MDA) Scheme.
(vii) Duty Free import of trimmings, embellishments and other specified item under Export Performance Certificate Entitlement Scheme.

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